

How Japan can build a sustainable future post-COVID-19

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Youth attend their Coming of Age Day celebration ceremony in Yokohama, Japan, on 11 January 2021.

Image: REUTERS/Issei Kato

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- The business culture in Japan has been resistant to change.

- There is a traditional preference for seniority and lifelong employment and a lack of gender parity.
- Japan must challenge this status quo to build a better future after COVID-19.

The pursuit of a “winners-take-all” strategy has been traditionally frowned upon in Japan. Rather, [harmony](#) has been an integral part of the sustainable prosperity of a society. Geographical isolation and a culture of rice farming are some explanations to this view, as the country’s isolated setting meant that the natural resources were limited and, therefore, had to be shared in order to survive. In today’s world, however, I wonder if sometimes this wonderful trait hinders drastic, necessary change.

I cannot help but feel that changes are slow in Japan. There are challenges that have been on the table for decades and left unresolved, notably an outdated approach to work and a lack of gender parity. As a result, economic growth has stagnated.

The resistance to change is seen often in Japanese organizations, where the preference for seniority and lifetime employment remain strong, and there is less freedom to move away from these tendencies, especially compared to Western countries.

A sense of responsibility and care for employees who have worked hard and believed in life-long employment and the seniority system may make managers hesitant to make major drastic changes. Labour policies also have not caught up, even as there is more mobility in the workforce as businesses are sold and restructured. There is still a lot of peer pressure to keep traditional structures for employment and promotion, holding back progress.

In addition, over the past decades, Japan has not made significant steps toward closing the gender gap. The nation was ranked 121st out of 153 countries in the [World Economic Forum’s Gender Gap Report 2020](#). Ms. Izumi Kobayashi, former Vice Chairman of the Japan Association of Corporate Executives (DOYUKAI) and currently a member of the World Economic Forum Global Future Council on Japan, rightly [commented](#) that corporate leaders often say it takes five years to promote women to executive positions, indicating that their promotion system is based on age and tenure, not merit.